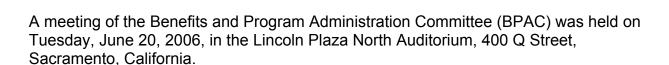


CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE

MINUTES OF MEETING

June 20, 2006



The meeting was called to order at 9:00 a.m. and the following Committee Members were present:

Kurato Shimada, Chair
Rob Feckner, Vice Chair
Robert F. Carlson
George Diehr
Priya Mathur
Debbie Endsley, representing Michael Navarro
Tony Oliveira
Maeley L. Tom
Cindy Aronberg, representing Steve Westly

Other Board Member present:

James Zerio, representing Philip Angelides

AGENDA ITEM 2 – APPROVAL OF THE MAY 16, 2006 BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE MEETING MINUTES

On **MOTION** by Mr. Feckner, **SECONDED** and **CARRIED**, the minutes were approved as presented.

AGENDA ITEM 3 - LEGISLATION

Lisa Marie Hammond, Chief of Governmental Affairs presented the following three legislative items:

3-A. **Neutral,** AB 2355 (Negrete McLeod). This bill would change the payroll reporting requirement for California State University academic employees who are granted a reduced pay leave.

On **MOTION** by Mr. Carlson, **SECONDED** and **CARRIED**, the Committee recommended the Board approve staff's recommendation on 3-A.

George Diehr abstained from voting.

Public comment was received from David Balla Hawkins, CFA.

3-B. **Support,** AB 2632 (Negrete McLeod). This bill provides a benefit to a group of California National Guard members that are not currently in membership, but at the same time it would create a benefit change for a subcategory within the state miscellaneous member classification.

On **MOTION** by Mr. Diehr, **SECONDED** and **CARRIED**, the Committee recommended the Board approve a support position instead of staff's recommended neutral position on AB 2632.

Debbie Endsley, representing Michael Navarro, abstained from voting.

3-C. **Neutral,** SB 1443 (Asburn). This legislation would cap the cumulative retirement allowance under multiple retirement formulas for individuals serving the State of California in the state patrol, peace officer/firefighter, or state safety membership categories. Although established by statute, the formulas are also subject to collective bargaining agreements.

On **MOTION** by Mr. Feckner, **SECONDED** and **CARRIED**, the Committee recommended the Board approve staff's recommendation on 3-C.

Public comment was received from Ray Snodgrass, CDF Firefighters.

AGENDA ITEM 4 – EFI'S PARALLEL VALUATION AND CERTIFICATION OF THE JUDGES' RETIREMENT SYSTEM (JRS) ACTUARIAL VALUATION AS OF JUNE 30, 2004

Ron Seeling, Chief Actuary, presented this action item recommending that the Board accept EFI's report on the parallel valuation and certification of the actuarial valuation of JRS in completion of Task 3 of Contract 2003-3236. The Committee instructed staff to contact the State Controller's Office to discuss this audit.

On **MOTION** by Mr. Carlson, **SECONDED** and **CARRIED**, the Committee recommended that the Board approve staff's recommendation.

AGENDA ITEM 5 – EFI'S PARALLEL VALUATION AND CERTIFICATION OF THE JUDGES' RETIREMENT SYSTEM II (JRSII) AS OF JUNE 30, 2004

Mr. Seeling presented this action item recommending that the Board accept EFI's report on the June 30, 2004 parallel valuation and certification of the actuarial valuation of the Judges' Retirement System II in completion of Task 3 of Contract 2003-3236. The Committee instructed staff to contact the State Controller's Office to discuss this audit.

On **MOTION** by Mr. Carlson, **SECONDED** and **CARRIED**, the Committee recommended that the Board approve staff's recommendation.

AGENDA ITEM 6 – EFI'S PARALLEL VALUATION AND CERTIFICATION OF THE JUNE 30, 2004 LEGISLATORS' RETIREMENT SYSTEM (LRS)

Mr. Seeling presented this action item recommending that the Board accept EFI's report on the parallel valuation and certification of the actuarial valuation of LRS in completion of Task 3 of Contract 2003-3236.

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, the Committee recommended that the Board approve staff's recommendation.

AGENDA ITEM 7 – EFI'S PARALLEL VALUATION AND CERTIFICATION OF THE VOLUNTEER FIREFIGHTERS' LENGTH OF SERVICE AWARD SYSTEM (VFLSAS) AS OF JUNE 30, 2004

Mr. Seeling presented this action item recommending that the Board accept EFI's report on the June 30, 2004 parallel valuation and certification of the actuarial valuation of the Volunteer Firefighters' Length of Service Award System in completion of Task 3 of Contract 2003-3236. The Committee instructed staff to contact Larry Jensen, Chief Auditor, to discuss whether GASB 27 or GASB 45 applies.

On **MOTION** by Mr. Carlson, **SECONDED** and **CARRIED**, the Committee recommended that the Board approve staff's recommendation.

AGENDA ITEM 8 – MEMBER AND BENEFIT SERVICES BRANCH EFFECTIVENESS MEASURES 3RD QUARTER

Kathie Vaughn, Assistant Executive Officer of the Member and Benefit Services Branch introduced Darryl Watson, Chief of Member Services Division, who discussed Service Costing backlog reduction and Donna Lum, Chief of Benefit Services Division, who reported on the successful completion of the RADAR project. Ron Kraft, Chief of Customer Service and Education Division, discussed call volumes and staffing issues. Robert Carlson requested a trend line showing customer service by phone and the web be brought to a future BPAC meeting.

AGENDA ITEM 9 – PERFORMANCE MANAGEMENT PROJECT

Kevin Terrell, of KT Consulting, Inc. presented an overview of this project to develop performance measurements that will enable the effective management of CalPERS Pension program functions to the new strategic goals. Mr. Terrell presented a high level schedule showing reports coming to BPAC in early 2007.

AGENDA ITEM 10 - CHIEF ACTUARY REPORT

Ron Seeling, Chief Actuary, had nothing further to report.

AGENDA ITEM 11 - ASSISTANT EXECUTIVE OFFICER REPORT

Ms. Vaughn submitted the AEO matrix for the Member and Benefit Services Branch discussing completion of the Disability Backlog Project, Working after Retirement Project, and update on the Retirement Planning and Resources Fairs.

AGENDA ITEM 12 - DRAFT AGENDA FOR AUGUST 15, 2006 MEETING

The Committee accepted the draft agenda.

AGENDA ITEM 13 – PUBLIC COMMENT

There was no public comment.

The next meeting of the Benefits and Program Administration Committee is scheduled for August 15, 2006, at 9:00 a.m., in Sacramento, CA.

FRED BUENROSTRO	
Chief Executive Officer	